

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 185250

60

ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 /020 R

66011

DRAFTED BY: EB/OT/TA:TFO'HERRON:JVM

APPROVED BY: EB/OT/TA:DJDUNFORD

----- 025217

R 270141Z JUL 76

FM SECSTATE WASHDC

TO AMEMBASSY OTTAWA

LIMITED OFFICIAL USE STATE 185250

FOLLOWING REPEAT BANGKOK 20506 ACTION SECSTATE INFO MTN GENEVA
20 JULY 76.

QUOTE

LIMITED OFFICIAL USE BANGKOK 20506

EO 11652: N/A

TAGS: ETRD, MTN

SUBJ: TROPICAL PRODUCTS NEGOTIATIONS

REF: BANGKOK 19617

1. EMBASSY IS POUCHING TO DEPT. (EB/OT/GCP AND EA/EP) AND USDEL
MTN GENEVA COPIES OF INFORMAL NOTE RECENTLY PROVIDED EMBASSY
OFFICERS BY MR. PHOT INGANINANDA (REFTEL) OF THE MINISTRY OF
COMMERCE CONTAINING "INFORMATION RELATING TO WHEAT FLOURS AS
GIVEN BY THE U.S. DELEGATION TO THE THAI DELEGATION DURING
THEIR BILATERAL MEETING IN GENEVA ON 27 APRIL 1976." NOTE WAS
IN RESPONSE TO RECENT DISCUSSION REPORTED REFTEL.

2. IN BRIEF, NOTE DENIES THAT RTG PRACTICES ANY DISCRIMINATION
AGAINST ANY COUNTRY, IN THAT IT ASSESSES A SINGLE RATE OF DUTY
FOR WHEAT FLOURS FROM ALL SOURCES. IT POINTS OUT (CORRECTLY)
THAT RATE OF DUTY IS CURRENTLY 30 PER CENT AD VALOREM OF ASSESSED
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 185250

CIF VALUE OF IMPORTS, OR RPT OR BAHI 1.50 BAHT/KG SPECIFIC

DUTY (NOT PLUS RPT PLUS BAHT 2.20/KG), WHICHEVER IS THE HIGHEST. IT POINTS OUT FURTHER THAT, IN ACCORDANCE WITH SECTION 9 OF CUSTOMS TARIFF DECREE, B.E. 2503, DIRECTOR GENERAL OF CUSTOMS IS EMPOWERED BY LAW TO NOTIFY "AVERAGE MARKET VALUE" OF IMPORT AND EXPORT ITEMS AND, THAT SINCE LANDED CIF VALUE OF WHEAT FLOURS FROM THE U.S. (AND CANADA) IS HIGHER THAN THAT FROM OTHER COUNTRIES, DEPARTMENT OF CUSTOMS HAS NOTIFIED AVERAGE MARKET VALUE OF U.S. AND CANADIAN WHEAT FLOUR TO BE HIGHER (CURRENTLY BAHT 8.20 PER KG) THAN OF WHEAT FLOUR FROM OTHER COUNTRIES (CURRENTLY 6.35 PER KG). NOTE ALSO POINTS OUT THAT CORRECT SUB-CLASSIFICATION OF WHEAT FLOURS IS BTN 11.01.01, NOT 11.01.02.

3. COMMENT: IN DISCUSSION WITH EMBASSY OFFICERS, MR. PHOT EXPLAINED THAT ALTHOUGH CUSTOMS REGULATIONS PERMIT EITHER AD VALOREM OR SPECIFIC RATES OF DUTY TO BE LEVIED, WHICHEVER IS HIGHER, IN PRACTICE AD VALOREM RATES ARE INVARIABLY ASSESSED FOR WHEAT FLOURS, BECAUSE THEY ARE HIGHER. EMBASSY THUS CANNOT DISAGREE WITH RTG ALLEGATION THAT DISCRIMINATION IN RATES OF DUTY ASSESSED IS NOT PRACTICED. REAL ISSUES WOULD THUS SEEM TO BE (1) WHETHER DEPARTMENT OF CUSTOMS SHOULD BE PERMITTED TO ASSESS DUTY AGAINST AVERAGE MARKET VALUE (AS IT IS PERMITTED TO DO UNDER THAI LAW) RATHER THAN AGAINST ACTUAL CIF VALUE OF IMPORTED SHIPMENTS, AND (2) WHETHER THE DEPARTMENT OF CUSTOMS IS PRACTICING DISCRIMINATION THROUGH THE METHODS IT USES TO DETERMINE AVERAGE MARKET VALUE. TO TRY TO ESTABLISH THIS WOULD REQUIRE FURTHER INVESTIGATION. PERCENTAGE DIFFERENCE IN DUTIES REFLECTS PERCENTAGE DIFFERENCE IN "AVERAGE MARKET VALUE" WHICH, ON BASIS OF CUSTOMS NOTIFICATION DATED 11 SEPTEMBER 1974 AMOUNTED TO 39 RPT 39 PERCENT (BAHT 7.80 VS. BAHT 5.60 PER KG), BUT SINCE NOTIFICATION OF 27 MAY 1975 HAS BEEN 29 RPT 29 PERCENT (BAHT 8.20 VS 6.35 PER KG).

4. NOTE ALSO STATES THAT USDEL CLAIMED THAT REASON FOR ALLEGED DISCRIMINATION WAS THAT US WHEAT FLOUR WAS OF HIGHER QUALITY THAN WHEAT FLOUR FROM OTHER SOURCES, BUT NOTE MAKES NO OTHER REFERENCE TO QUALITY: IN DISCUSSION, PHOT SUGGESTED THAT HIGHER QUALITY, AS WELL AS HIGHER FREIGHT COSTS, MAY EACH BE PARTIALLY RESPONSIBLE FOR HIGHER LANDED CIF VALUE OF US FLOUR.

5. DEPARTMENT MAY WISH TO DISCUSS THIS IN MORE DETAIL WITH LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 185250

FORMER AGRICULTURAL ATTACHE GUY HAVILAND, WHO HAS RECENTLY BEEN REASSIGNED TO USDA, WASHINGTON. WHITEHOUSE UNQUOTE KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TROPICAL PRODUCTS, NEGOTIATIONS, TARIFFS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE185250
Document Source: CORE
Document Unique ID: 00
Drafter: EB/OT/TA:TFO'HERRON:JVM
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760288-0520
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760717/aaaaaors.tel
Line Count: 109
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 BANGKOK 19617
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 12 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 APR 2004 by greeneet>; APPROVED <13 APR 2004 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TROPICAL PRODUCTS NEGOTIATIONS
TAGS: ETRD, TH, MTN
To: OTTAWA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006